

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

IN RE:

W.R. GRACE & CO., *et al.*,

Debtors.

Chapter 11

Case No. 01-1139 (JKF)

(Jointly Administered)

Objection Deadline December 8, 2008@ 4:00 p.m.

**TWENTY-SIXTH QUARTERLY FEE APPLICATION OF KRAMER  
LEVIN NAFTALIS & FRANKEL LLP, COUNSEL TO THE  
OFFICIAL COMMITTEE OF EQUITY HOLDERS, FOR  
COMPENSATION AND REIMBURSEMENT OF DISBURSEMENTS FOR THE  
PERIOD FROM JULY 1, 2008 THROUGH SEPTEMBER 30, 2008**

Name of Applicant: Kramer Levin Naftalis & Frankel LLP

Authorized to Provide  
Professional Services to: Official Committee of Equity Holders

Date of Retention: As of July 18, 2001

Period for which compensation  
and reimbursement is sought: July 1, 2008 through and including September 30, 2008

Amount of Compensation sought as  
actual, reasonable and necessary: \$ 271,548.00

Amount of Expense Reimbursement  
sought as actual, reasonable and  
necessary: \$ 6,211.59

This is a(n):     \_     monthly                    X     interim application

**SUMMARY OF MONTHLY FEE STATEMENTS FOR KRAMER LEVIN NAFTALIS &  
FRANKEL – JULY 1, 2008 THROUGH SEPTEMBER 30, 2008**

<b>Fee Application Filing Date Docket No. Period Covered</b>	<b>Total Fees Requested</b>	<b>Total Expenses Requested</b>	<b>Total Amount of Fees and Expenses Requested</b>	<b>Amount of Fees Paid (80%)</b>	<b>Amount of Expenses Paid (100%)</b>	<b>Certification of No Objection Filing Date Docket No.</b>
08/29/2008 19416 July 1, 2008 – July 31, 2008	\$46,403.75	\$2,634.24	\$49,037.99	\$37,123.00	\$2,634.24	09/23/2008  Docket No. 19594
09/29/2008 19632 August 1, 2008 – August 31, 2008	\$130,393.00	\$1,139.48	\$131,532.48	\$104,314.40	\$1,139.48	10/22/2008  Docket No. 19834
10/29/2008 19906 September 1, 2008 – September 30, 2008	\$94,751.25	\$2,437.87	\$97,189.12	N/A	N/A	Not yet filed
<b>Total</b>	<b>\$271,548.00</b>	<b>\$6,211.59</b>	<b>\$277,759.59</b>	<b>\$141,437.40</b>	<b>\$3,773.72</b>	

Current Period Unpaid:	Fees	\$130,110.60
	Expenses	<u>\$ 2,437.87</u>
	Total	\$132,548.47

Prior Periods Unpaid:	Fees	<u>\$ 48,148.95</u>
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**TOTAL DUE:           \$180,697.42**

**SUMMARY OF OUTSTANDING FEES OWED TO KRAMER LEVIN NAFTALIS &  
FRANKEL THROUGH SEPTEMBER 30, 2008**

Time Period	Fees and Expenses Requested	Fees and Expenses Approved <sup>1</sup>	Fees and Expenses Paid	Fees and Expenses Owed
April 1, 2002 - June 30, 2002	\$ 73,418.50 \$ 5,356.96	\$ 73,418.50 \$ 5,356.96	\$ 73,418.50 \$ 5,356.96	\$-0-
July 1, 2002 – September 30, 2002	\$ 87,266.50 \$ 10,070.69	\$ 86,576.50 \$ 9,737.19	\$ 86,576.50 \$ 9,737.19	\$-0-
October 1, 2002 – December 31, 2002	\$ 70,445.00 \$ 3,575.61	\$ 70,445.00 \$ 3,575.61	\$ 70,445.00 \$ 3,575.61	\$-0-
January 1, 2003 – March 31, 2003	\$ 51,487.00 \$ 1,619.93	\$ 51,487.00 \$ 1,619.93	\$ 51,487.00 \$ 1,619.93	\$-0-
April 1, 2003 - June 30, 2003	\$ 27,447.00 \$ 1,839.08	\$ 27,447.00 \$ 1,839.08	\$ 27,447.00 \$ 1,839.08	\$-0-
July 1, 2003 – September 31, 2003	\$ 34,092.00 \$ 497.86	\$ 34,092.00 \$ 497.86	\$ 34,092.00 \$ 497.86	\$-0-
October 1, 2003 – December 31, 2003	\$ 45,266.00 \$ 2,046.18	\$ 45,266.00 \$ 2,046.18	\$ 45,266.00 \$ 2,046.18	\$-0-
January 1, 2004 – March 31, 2004	\$ 31,674.50 \$ 1,451.43	\$ 31,674.50 \$ 1,451.43	\$ 31,674.50 \$ 1,451.43	\$-0-
April 1, 2004 – June 30, 2004	\$ 48,415.50 \$ 1,840.66	\$ 48,415.50 \$ 1,840.66	\$ 48,415.50 \$ 1,840.66	\$-0-
July 1, 2004 – September 30, 2004	\$ 47,550.00 \$ 995.20	\$ 47,550.00 \$ 995.20	\$ 47,550.00 \$ 995.20	\$-0-
October 1, 2004 – December 31, 2004	\$406,517.00 \$ 14,406.04	\$ 400,556.50 \$ 14,265.04	\$ 400,556.50 \$ 14,265.04	\$-0-
January 1, 2005 March 31, 2005	\$183,897.00 \$12,593.68	\$ 183,897.00 \$ 12,593.68	\$ 183,897.00 \$ 12,593.68	\$-0-

<sup>1</sup> July 1-September 30, 2002 Order Granted on March 12, 2003 (Docket No. 3511); October 1-December 31, 2002 Order Granted on July 28, 2003 (Docket No. 4157); January 1-March 31, 2003 Order Granted on September 22, 2003 (Docket No. 4480); April 1-June 30, 2003 Order Granted on December 15, 2003 (Docket No. 4827); July 1-September 30, 2003 Order granted on April 26, 2004 (Docket No. 5482); October 1-December 31, 2003 Order Granted on June 16, 2004 (Docket No. 5822); January 1-March 31, 2004 Order Granted on September 27, 2004 (Docket No. 6465); April 1-June 30, 2004 Order granted on January 26, 2005 (Docket No. 7622); July 1- September 30, 2004 Order granted on March 22, 2005 (Docket No. 8081); October 1- December 31, 2004 Granted on June 29, 2005 (Docket No. 8728); January 1 – March 31, 2005 Order Granted on September 27, 2005 (Docket No. 9513); April 1 – June 30, 2005 Order Granted on December 21, 2005 (Docket No. 11402); July 1 – September 30, 2005 Order Granted on March 27, 2006 (Docket No. 12121); October 1 – December 31, 2005 Order Granted on June 16, 2006 (Docket No. 12660); January 1 – March 31, 2006 Order Granted on September 26, 2006 (Docket No. 13298); April 1 – June 30, 2006 Order Granted on December 19, 2006 (Docket No. 14069); July 1 – September 30, 2006 Order Granted on March 30, 2007 (Docket No. 15044); October 1 – December 31, 2006 Order Granted on June 20, 2007 (Docket No. 16105); January 1 – March 31, 2007 Order Granted on September 25, 2007 (Docket No. 16916); April 1 – June 30, 2007 Order Granted on December 13, 2007 (Docket No. 17629); July 1 – September 30, 2007 Order Granted on March 12, 2008 (Docket No. 18270); October 1, 2007 – December 31, 2007 Order Granted on June 23, 2008 (Docket No. 18989); January 1 – March 31, 2008 Order Granted on June October 1, 2008 (Docket No. 19663); April 1 – June 30, 2008 Order Still Pending.

April 1, 2005	\$74,471.50	\$ 74,471.50	\$ 74,471.50	\$-0-
June 30, 2005	\$3,641.49	\$ 3,641.49	\$ 3,641.49	
July 1, 2005	\$79,556.00	\$ 79,556.00	\$ 79,556.00	\$-0-
September 30, 2005	\$5,348.72	\$ 5,348.72	\$ 5,348.72	
October 1, 2005	\$75,544.50	\$ 75,544.50	\$ 75,544.50	\$-0-
December 31, 2005	\$2,953.30	\$ 2,953.30	\$ 2,953.30	
January 1, 2006	\$74,750.00	\$ 74,750.00	\$ 74,750.00	\$-0-
March 31, 2006	\$5,452.00	\$ 5,452.00	\$ 5,452.00	
April 1, 2006	\$74,596.00	\$ 74,596.00	\$ 74,596.00	\$-0-
June 30, 2006	\$2,815.18	\$ 2,815.18	\$ 2,815.18	
July 1, 2006	\$147,269.00	\$ 147,269.00	\$ 147,269.00	\$-0-
September 30, 2006	\$4,500.72	\$ 4,500.72	\$ 4,500.72	
October 1, 2006	\$238,312.00	\$ 238,312.00	\$ 238,312.00	\$-0-
December 31, 2006	\$14,195.38	\$ 14,195.38	\$ 14,195.38	
January 1, 2007	\$163,379.00	\$ 163,379.00	\$ 163,379.00	\$-0-
March 31, 2007	\$15,286.40	\$ 15,286.40	\$ 15,286.40	
April 1, 2007	\$187,246.00	\$ 186,592.23	\$ 186,592.23	\$-0-
June 30, 2007	\$19,482.62	\$ 19,482.62	\$ 19,482.62	
July 1, 2007	\$208,619.50	\$ 205,265.50	\$ 205,265.50	\$-0-
September 30, 2007	\$9,223.40	\$ 9,223.40	\$ 9,223.40	
October 1, 2007	\$398,236.50	\$ 394,987.81	\$ 394,987.81	\$-0-
December 31, 2007	\$76,834.62	\$ 76,834.62	\$ 76,834.62	
January 1, 2008	\$247,502.75	\$ 247,502.75	\$ 247,108.84	\$-0-
March 31, 2008	\$9,033.91	\$ 9,033.91	\$ 9,033.91	
April 1, 2008	\$240,744.75	\$ -0-	\$ 192,598.80	\$48,148.95
June 30, 2008	\$11,571.63	\$ -0-	\$ 11,571.63	\$-0-
July 1, 2008	\$271,548.00	\$ -0-	\$141,437.40	\$130,110.60
September 30, 2008	\$6,211.59	\$ -0-	\$3,773.72	\$2,437.87
<b>TOTAL</b>	<b>\$3,589,251.40</b>	<b>\$3,063,051.79</b>	<b>\$3,396,694.08</b>	<b>\$ 178,259.55</b>
	<b>\$ 244,551.51</b>	<b>\$ 224,586.56</b>	<b>\$ 239,931.91</b>	<b>\$ 2,437.87</b>

**SUMMARY OF TIME FOR BILLING PERIOD**

<b>Name</b>	<b>Hourly Billing Rate</b>	<b>Total Billed Hours</b>	<b>Total Compensation</b>
Kolevzon, Peter S.	795.00	18.80	\$ 14,946.00
Bentley, Philip	362.50	2.90	\$ 1,051.25
Bentley, Philip	725.00	71.90	\$ 52,127.50
Herzog, Barry	700.00	6.00	\$ 4,200.00
Horowitz, Gregory A.	680.00	0.50	\$ 340.00
O'Neill, P. Bradley	650.00	26.70	\$ 17,355.00
Rigel, Blake	620.00	5.00	\$ 3,100.00
Mannal, Douglas H.	585.00	87.40	\$ 51,129.00
Mannal, Douglas H.	605.00	45.20	\$ 27,346.00
Martorana, Keith R.	182.50	5.90	\$ 1,076.75

Martorana, Keith R.	210.00	10.60	\$ 2,226.00
Martorana, Keith R.	365.00	128.90	\$ 47,048.50
Martorana, Keith R.	420.00	83.00	\$ 34,860.00
Wierman, Lauren E.	260.00	56.70	\$ 14,742.00
<b>Total</b>		<b>549.50</b>	<b>\$ 271,548.00</b>

**COMPENSATION SUMMARY BY PROJECT CATEGORY**

<b>Project Category</b>	<b>Total Hours for the Period 7/1/08 through 9/30/08</b>	<b>Total Fees for the Period 7/1/08 through 9/30/08</b>
Creditor Committee	14.30	\$ 6,831.50
Bankruptcy Motions	6.70	\$ 2,814.00
Reorganization Plan	269.40	\$ 143,135.50
Fee Applications, Applicant	29.40	\$ 8,923.00
Claim Analysis Obj. & Res. (Asbestos)	158.40	\$ 81,780.00
Hearings	40.00	\$ 15,865.50
Tax Issues	11.90	\$ 7,844.50
Travel/Non-Working	19.40	\$ 4,354.00
<b>Total</b>	<b>549.50</b>	<b>\$ 271,548.00</b>

**EXPENSE SUMMARY (Schedule of Disbursements)**

<b>Expense Category</b>	<b>Total Expenses For the Period 7/1/08 through 9/30/08</b>
Photocopying	\$ 1,928.00
Westlaw On-Line Research	\$ 51.18
Lexis/Nexis On-Line Research	\$ 178.80
Cab Fares	\$ 991.69
Out of Town Travel	\$ 878.75
Meals In-House	\$ 271.22
Transcript Fees	\$ 74.70
Messenger/Courier	\$ 47.49
Velobindings	\$ 285.00
Tabs	\$ 739.00
Research Services	\$ 39.00
Long-Distance Telephone	\$ 33.44
Document Retrieval Fee	\$ 658.64
Corp. Documents & Materials	\$ 34.68
<b>Total</b>	<b>\$6,211.59</b>

**WHEREFORE**, The foregoing summaries are submitted to the Court pursuant to the Amended Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures For Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members dated April 17, 2002 (the “Amended Administrative Order”). Pursuant to the Amended Administrative Order, Kramer Levin respectfully requests that, for the period July 1, 2008 through September 30, 2008, it be allowed the total amount of fees of \$271,548.00 and disbursements \$6,211.59, and that the Debtor be directed to pay all outstanding unpaid amounts.

Dated: November 17, 2008

KRAMER LEVIN NAFTALIS & FRANKEL LLP

By: /s/ Keith R. Martorana

Douglas H. Mannal

Philip Bentley

Keith R. Martorana

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Equity Holders